

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON ENERGY COOPERATIVE)	
CORPORATION)	
_____)	CASE NO. 2002-00119
)	
ALLEGED FAILURE TO COMPLY WITH)	
KRS 278.300(1))	

O R D E R

On April 29, 2002, the Commission entered an Order establishing this case and directing Jackson Energy Cooperative Corporation ("Jackson Energy") and Fred Callahan, Fred M. Brown, Edward G. Stamper, Keith Binder, Dale Madden, Steve Patton, Jr., and Donald Thompson ("Named Directors") (collectively "Parties") to show cause why they should not be subject to the penalties of KRS 278.990 for failing to comply with the provisions of KRS 278.300(1).

Following the commencement of the proceeding, the Parties and Commission Staff entered into negotiations to resolve all outstanding issues. On March 24, 2003, a Settlement Agreement was executed that was accepted and approved by the Commission in its Order of April 28, 2003.

Pursuant to the terms of the Settlement Agreement, the Named Directors each agreed to be assessed a civil penalty in the amount of One Hundred Dollars (\$100.00) that would be suspended and vacated if the Named Directors complied with the terms of the Settlement Agreement and if the Commission found their compliance satisfactory.

Under the terms of the Settlement Agreement, the Named Directors were required to prepare and develop, or cause to be prepared and developed, a training seminar covering the provisions of KRS Chapter 278 and 279 and the provisions of the administrative regulations applicable to rural electric cooperatives. They were further required to attend the seminar and to provide the Commission with evidence of attendance. On December 18, 2003, counsel for Jackson Energy filed with the Commission a letter stating that the seminar was held on November 17, 2003, and also filed a list of attendees. The information provided indicates that all but one of the Named Directors attended the seminar on November 17, 2003. Counsel for Jackson Energy informed the Commission that the remaining director was unable to attend the seminar due to health reasons. He further informed the Commission that the seminar had been videotaped and that the videotape had been forwarded to the absent director for viewing. On February 5, 2004, Jackson Energy filed an Affidavit signed by the remaining director stating that due to health reasons he was unable to attend the seminar and that he has reviewed the videotape of the seminar in its entirety.

The Commission, having considered the evidence provided and being otherwise sufficiently advised, finds that the Named Directors have complied with the provisions of the Settlement Agreement and further finds that the penalty assessed against each of the Named Directors should be vacated and the case dismissed.

IT IS THEREFORE ORDERED that:

1. The penalty assessed by this Commission against each of the Named Directors in this proceeding is vacated.
2. This case is dismissed and is removed from the Commission's docket.

Done at Frankfort, Kentucky, this 23rd day of February, 2004.

By the Commission

ATTEST:


Executive Director